CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

MEETING OF MONDAY, SEPTEMBER 19, 1983

Attendance: Mr. G. Fisher, Chairman, Mr. M. Bourgault, Prof. L. Bessner, Ms. A. Kerby, Prof. G. Martin, Miss S. O'Reilly, Mr. B. Smart, Mr. M. Hamilton of William M. Mercer, Miss D. Johnson and Ms. L. Gardham

Regrets: Prof. H. Ladd and Dr. J. Daniel

The Chairman welcomed our new member Ms. A. Kerby. It was also noted that the matters dealt with by the Committee are sensitive and financial and should be treated with confidentiality. Although some things are routine there are other matters about which the Committee should determine what information should be released and what should not be released.

Minutes of the meeting of May 30, 1983

Ms. Kerby noted that there was no date on the minutes submitted to members. The secretary indicated that this oversight had been corrected on the master copy following distribution.

Prof. Martin proposed a motion to accept the minutes, the motion was seconded by Prof. Bessner and unanimously carried.

Pension Plan Valuation Results

Mr. Hamilton reviewed the valuation results as at January 1, 1983. The full text of the report is included as appendix A of the official minutes. Mr. Hamilton concluded his review by noting that the pension plan is well funded and we are right on target.

The Chairman asked if this would be a University commitment which would go up as it is one of the expenses recognized by the government.

Prof. Martin noted that we no longer enjoy special funding for pension and benefits as it has been rolled into the regular "masse salariale."

Investment Fee Increase - Beutel Goodman

Mr. Hamilton called the Committee's attention to a working document prepared to demonstrate the effect of different fee schedules on a fund the size of Concordias.

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Miss Johnson noted that the fund results were summarized on page 7 of the comparative measurement study and this reflects superior investment returns since our current managers took over.

Mr. Smart noted that the five year guarantee on fees is significant and Concordia certainly wouldn't want to change investment counsellors at this point.

The Chairman called for a motion, Mr. Smart moved that we accept the proposed fee schedule, the motion was seconded by Prof. Martin and unanimously carried.

Funding of Ex-Gratia Pension Payments

Mr. Hamilton noted that the ex-gratia pension payments were previously funded from general University revenue year by year. This Committee had to pass a motion every year to fund the payment of the pensions. There is adequate money in the pension fund to finance the additional payments and recognition of the liability within the fund would make funding an obligation.

Mr. Smart asked if the University would be reducing contributions as a result of this change. Prof. Martin responded that the University would continue to pay both the regular and additional contributions, this proposal simply makes the University payment obligatory rather than optional.

Mr. Smart remarked that, as member's representatives, this is the sort of thing the University should be asked to do.

Prof. Bessner proposed a motion that the ex-gratia pension benefits be funded within the pension plan, the motion was seconded by Mr. Smart and unanimously carried.

Ad Hoc Supplements - Survivor Benefits

Mr. Hamilton noted that if a supplementary pension is paid to a retired employee and he/she dies, the supplementary benefit is not continued to the spouse. The advantage of the proposed approach would be simpler record keeping, the disadvantage would be costs. If inflation is high the cost could be significant.

Mr. Smart asked if we would be making the change retroactively. The Chairman noted that we could not consider making catch-up payments but we could review files and make adjustments from the date of adoption onward.

Mr. Bourgault asked now much it would cost. Prof. Bessner noted that the first priority on the fund should be the "past service" review.

Mr. Hamilton noted that the total cost would be less than $100,000.00. Most members do not opt for joint and survivor pension benefits.

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Mr. Bourgault suggested that the Committee appraise the costs before coming to a decision. The Chairman asked Mr. Hamilton to provide figures at our next business meeting. (ie. November 8th)

Regularly Scheduled Meetings

Committee members agreed on dates for the next three (3) meetings; October 25th (Investment Review and Comparative Measurement Review), November 8th, regular meeting and December 6th, regular meeting.

Other Business

Mr. Smart asked what had happened to the business of pre-retirement counselling. Miss Johnson noted that although the Committee had agreed in principle with the idea of a programme there was no approval of funding. Mr. Smart asked if the item could be put on the agenda of our next regular business meeting in order that Human Resources might comment on it.

The meeting adjourned at 2:05 p.m.

Respectfully submitted,

M. Dawn Johnson, Secretary

Special thanks to E. Gardham, recording secretary.